

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY TO	)	CASE NO. 2004-00198
IMPLEMENT A NATURAL GAS SUPPLY	)	_____
HEDGE PLAN	)	

\* \* \* \* \*

**MOTION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION CONTAINED IN ITS PROPOSED NATURAL GAS SUPPLY HEDGE PLAN**

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, Section 7, respectfully moves the Commission to classify and protect as confidential certain information that is contained in the proposed Natural Gas Supply Hedge Plan for the 2004/2005 Winter Heating Season (the "Hedge Plan") attached to the Application herein as Exhibit A.

1. LG&E has filed its Application herein today. Included, as Exhibit A to the Application, is the Hedge Plan, which contains a description of certain elements of LG&E's natural gas supply procurement practices. It contains information the public disclosure of which would damage LG&E's competitive position and business interests. As required by 807 KAR 5:001, Section 7(2)(b), LG&E is providing one copy of the Hedge Plan under seal with the confidential information highlighted and ten (10) copies of the Hedge Plan with the confidential information obscured.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878 (1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that

disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Hedge Plan described above contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate pipeline transportation arrangements, gas supplies and related hedging activities at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for transportation arrangements, gas supplies, related hedging activities and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position vis-à-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers.

4. The Hedge Plan described above contains the following categories of information, which are commercially sensitive: details of the elements of LG&E's gas supply portfolio; plans relating to proposed hedging activities, including prices and volumes; pricing parameters material to LG&E; timing of certain gas supply activities; and a description of certain elements of LG&E's on-system storage.

5. Public disclosure of the information contained in the Hedge Plan will damage LG&E's competitive position and business interests in various ways. The document contains sensitive commercial information the disclosure of which would injure LG&E's ability to compete for new load and secure the most reliable gas supplies at the most economic cost. Disclosure would enable competitors of LG&E for gas sales to determine an important element of LG&E's costs, and thus better compete with LG&E

for customers. In addition, it will give competitors for gas supply as well as gas suppliers important information regarding LG&E's gas requirements, which would disadvantage LG&E in its gas procurement and hedging activities. The Hedge Plan contains commercially sensitive information such as the Company's estimate of its projected supply needs and details of its supply contracting practices. Disclosure of this document would provide competitors and potential suppliers of LG&E with information of how it executes its supply plans, and thus would damage LG&E's ability to compete for both load and supply.

6. The information for which LG&E is seeking confidential treatment is not known outside of LG&E, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

7. The public interest will be served by granting this Motion, in that competition among LG&E's prospective gas suppliers and other business partners will be fostered and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory.

8. The Commission has granted LG&E's petitions for Confidential Treatment of this same type of information in LG&E's prior hedge plan filings, Case Nos. 2001-253, 2002-00136 and 2003-00149.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential the specific information indicated in the Hedge Plan.

Respectfully submitted,

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